

## NEWS RELEASE

### KINGSMEN REPORTS FULL YEAR NET PROFIT OF S\$0.5 MILLION

- Revenue at S\$365.9 million
- Pipeline of projects remains strong at S\$140 million

### FY2019 Results Highlights

	FY2019	FY2018	Change
Revenue	S\$365.9m	S\$360.9m	1.4%
Gross profit	S\$77.2m	S\$82.0m	-5.8%
Net profit	S\$0.5m	S\$8.1m	-93.6%
EPS	0.26 cents	4.09 cents	-93.6%

“We have taken major strides to position ourselves to deliver sustainable growth for our business amid market evolution and disruption. In 2019, we implemented our planned expansion into experiential attractions – TOYBOX, a multi-brand carnival powered by Hasbro, the world’s first NERF Action Xperience arena and Living Worlds: An Animal Planet Experience, a first-in-the-world wildlife and exploration travelling exhibition. These three experiential attractions are part of the next phase of our business transformation and will give us a distinctive market position. These new attractions are still at the start up phase and have impacted our profitability. We expect them to start contributing positively as we gain momentum in our expansion to more markets.

Our exhibition and events business has continued to perform well. However, our margins for the retail interiors business have been impacted by the softer retail environment and ongoing US-China trade and tariff dispute which has affected our China factory throughput.

Looking ahead, we continue to see opportunities for growth in brand engagement and the creation and delivery of experiences. We will continue to push forward in our transformation, bringing innovative ideas and offering solutions that are relevant and valuable to the market.” said **Mr Andrew Cheng, Group CEO of Kingsmen.**

*Singapore, February 27, 2020* – Kingsmen Creatives Ltd. (“Kingsmen”) (“金明创新”), and its subsidiaries (the “Group”), a leading communication design and production group in Asia Pacific, the Middle East and America, today announced a net profit of S\$0.5 million for the year ended December 31, 2019 (“FY2019”). This is a 93.6% decline from S\$8.1 million in the previous corresponding year. Group revenue increased 1.4% to S\$365.9 million in FY2019, from S\$360.9 million in FY2018.

The **Exhibitions & Thematic division** registered a revenue of S\$171.7 million in FY2019, an increase of S\$11.5 million or 7.2% from S\$160.2 million in FY2018. The increase in revenue was due to the completion of several major events and projects in FY2019, including Changi Experience Studio, Formula 1 Singapore Grand Prix, Money 2020 Asia 2019, National Day Parade 2019, Shenzhen Binhai Tencent Exhibition Centre, Singapore Bicentennial Event, Singapore FinTech Festival 2019, SMBC Singapore Open 2019, TFWA Asia Pacific Exhibition & Conference 2019 and thematic projects in the region.

The **Retail & Corporate Interiors division** recorded a revenue of S\$169.8 million in FY2019, a decrease of S\$2.2 million or 1.3% compared to S\$172.0 million in FY2018. This was from contribution of several key accounts, including clients and brand names such as Coach, Don Don Donki, Fendi, Kate Spade, Lululemon, Michael Kors, Mikimoto, Skechers, Tiffany & Co. and Van Cleef & Arpels.

The **Research & Design division** achieved a revenue of S\$17.4 million in FY2019, an increase of S\$0.3 million or 1.4% from S\$17.1 million in FY2018. The key accounts which contributed to the division’s revenue included clients and brand names such as Burberry, Gucci, National Heritage Board, Procter & Gamble Co. and TAG Heuer, and thematic projects in the region.

The **Alternative Marketing division** registered a revenue of S\$7.0 million in FY2019, a decrease of S\$4.5 million or 39.1% compared to S\$11.5 million in FY2018. The key contributors to the division’s revenue included events and projects from clients such as Automobile Association of Singapore, National Council on Problem Gambling, Robinson and Singapore Cruise Centre.

### Outlook for 2020 and Beyond

The Group steps up its efforts to pursue opportunities and is optimistic of performing better in FY2020. As at 31 January 2020, the Group has secured contracts of S\$140 million, of which, barring unforeseen circumstances, S\$101 million is expected to be recognised in FY2020.

Sharing the Group's outlook for FY2020 and beyond, Mr Cheng said: "2020 had looked to be promising until the unravelling of the Covid-19 outbreak and heightened risk alerts that have significantly limited travel and human interaction and led to a decline in business activities. The situation is still evolving, but there has already been an impact to our exhibition, events and experiential attractions businesses. On the positive side, some of these projects have been rescheduled to the later part of the year and not cancelled. In addition, contracts already secured for interiors and corporate fit-out works have continued, and so far, there has been little change in long-term plans for clients. We are taking proactive steps to minimise overheads, and reassess our operations and staff structures. For our experiential attractions business, expansion plans for the interim will be focused towards the US and European markets where we see strong interest and demand for our attractions."

The **Exhibitions & Thematic division** sees a slight disruption of activities in the first half of 2020, mainly attributable to the Covid-19 outbreak as spending plans are postponed to the second half of the year. The division has taken proactive steps to plan and allocate resources for the recovery. The consistent line-up of projects and attractions already secured, and are currently being pursued, ensures the division is well-positioned to weather the short-term volatility and resume growth.

The **Retail & Corporate Interiors division** is fully focused on gaining traction in the drive to improve its capabilities and provide solutions to increase its market share in what is expected to be a competitive and challenging market environment. More agile and decisive actions across its value chain will be taken to provide greater value to clients and drive long-term business sustainability.

**About Kingsmen Creatives Ltd.**

Listed on the Mainboard of the Singapore Exchange, Kingsmen is a leading communication design and production group. Established in 1976, the Group has a network of 21 offices and full service facilities serving global clients in Exhibitions & Thematic, Retail & Corporate Interiors, Research & Design, and Alternative Marketing.

Kingsmen's seamless end-to-end solutions, through its vertically and horizontally integrated service offerings, coupled with its network of offices and partners, provide clients the benefits of flexibility, speed and value. Building on its design-led, quality and service-driven culture, the Group has established a reputation and visible brand that is synonymous with creative and innovative solutions.

The Group serves a long-standing base of clients from diverse industries including well-known names such as Chanel, Changi Airport Group, DBS, FJ Benjamin Group, Gucci, Hong Kong & Shanghai Disneyland, LVMH Group, Ralph Lauren, Resorts World Sentosa, Robinsons Group, Singapore GP, TAG Heuer, Tax Free World Association, Tiffany & Co., Universal Studios and Wing Tai Asia.

For more information, please visit: <http://www.kingsmen-int.com/>.

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